



**FEDERAL ELECTION COMMISSION**  
Washington, DC 20463

**MEMORANDUM**

**TO:** Office of the Commission Secretary

**FROM:** Office of General Counsel **ACS**

**DATE:** January 4, 2000

**SUBJECT:** MUR 4434- General Counsel's Report.

The attached is submitted as an Agenda document for the Commission Meeting of \_\_\_\_\_

Open Session \_\_\_\_\_

Closed Session \_\_\_\_\_

**CIRCULATIONS**

**DISTRIBUTION**

**SENSITIVE**

☒

**NON-SENSITIVE**

☐

72 Hour TALLY VOTE ☐

24 Hour TALLY VOTE ☐

24 Hour NO OBJECTION ☐

INFORMATION ☐

96 hour Tally Vote ☒

**COMPLIANCE**

☒

Open/Closed Letters ☐  
MUR ☐  
DSP ☐

STATUS SHEETS ☐  
Enforcement ☐  
Litigation ☐  
PFESP ☐

RATING SHEETS ☐

AUDIT MATTERS ☐

LITIGATION ☐

ADVISORY OPINIONS ☐

REGULATIONS ☐

OTHER ☐

## BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )

Daniel M. Doyle )

MUR 4434

**SENSITIVE**RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT

2000 JAN -4 P 4:15

## GENERAL COUNSEL'S REPORT

**I. ACTIONS RECOMMENDED**

Accept the attached revised conciliation agreement with Daniel M. Doyle and close the file in this matter.

**II. BACKGROUND**

On July 20, 1999, the Commission found reason to believe that Daniel M. Doyle knowingly and willfully violated 2 U.S.C. §§ 441a(a)(1)(A) and 441f during the 1994 and 1996 election cycles. The findings in relation to the 1994 election cycle were based on a statement by Ann Galatro, Mr. Doyle's secretary at Danka Industries ("Danka"), that Mr. Doyle had reimbursed Ms. Galatro for her one 1994 election cycle political contribution, a contribution to Mark Sharpe for Congress in the amount of \$1,000. The findings regarding 1996 election cycle activity were based on several contributions. First, once again, Ms. Galatro made just one contribution during that cycle, a \$1,000 contribution to Alexander for President, Inc., which the Alexander campaign reported receiving on March 25, 1995. Because the Alexander campaign reported that it had received from Mr. Doyle a \$1,000 contribution on the same date, it appeared that he may again have reimbursed Ms. Galatro for her contribution. The fact that an individual who appeared to be Mr. Doyle's son also made the maximum contribution to Alexander for President, Inc., which was reported as received on the same date as the Galatro and Daniel M. Doyle contributions, also suggested that a reimbursement may have taken place. In addition,

Alexander for President, Inc. reported receiving the maximum individual contribution, \$1,000, from each of four other Danka executives, Robert J. Arenth, Beth A. Scicolone, Paul T. Kattmann and R. Paul Umberg, on or about November 2, 1995. None of these four individuals had made any other contribution during that election cycle or the previous two election cycles. Such circumstances suggested that these contributions may have been reimbursed by Mr. Doyle as well.

At the time of its reason to believe findings, the Commission determined to offer to immediately enter into conciliation negotiations regarding the 1994 election cycle violations. The Commission indicated its willingness to conciliate any 1996 election cycle violations at the same time, but because such violations were more uncertain and required some investigation, required that Mr. Doyle agree to toll the application of the statute of limitations for the 1994 violations in order to exercise this option.

Due to an out-of-date mailing address, Mr. Doyle, who had left his employment at Danka Industries, was not actually notified of the Commission's actions until September 3, 1999. Subsequently, Mr. Doyle, through counsel, expressed his desire to resolve all violations in one conciliation agreement, and agreed to toll application of the statute of limitations for 90 days in order to accomplish this. A statement agreeing to toll application of the statute of limitations was received in this Office on October 1, 1999.<sup>1</sup>

Subsequently, Mr. Doyle submitted two affidavits describing the contributions which he had reimbursed and copies of canceled checks, *see* Attachment 1, as well as bank records from

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<sup>1</sup> The new statute of limitations for the 1994 election cycle violations is January 29, 2000.

the times surrounding the periods in question. Mr. Doyle admitted reimbursing Ms. Galatro for both of her contributions, but denied any other improper activity. Attachment 1 at 1. With regard to the apparent contributions by his son, Mr. Doyle states in his second affidavit that, over the years, he has regularly provided financial support to his children, and that he allows his children to invest in various projects in which he is involved. Mr. Doyle states that "the checks which go to my children or my son-in-law are never intended as reimbursements for any Federal campaign contribution. I have never indicated to my children that this money was a reimbursement for any Federal campaign contribution." Attachment 1 at 3. Copies of checks submitted by Mr. Doyle and made payable to his son, daughter, and son-in-law, corroborate Mr. Doyle's statement that he regularly provided financial support and other monies to them. Attachment 1 at 5-18. In addition, bank statements for the periods of the actual contributions by persons other than Mr. Doyle and Ms. Galatro do not show checks issued in amounts corresponding to the amounts of contributions which would have been reimbursed. The absence of checks of such amounts tends to corroborate Mr. Doyle's statement that he did not reimburse any persons other than Ms. Galatro for their contributions.

In addition, this Office has interviewed the four Danko executives who contributed to the Alexander campaign in November 1995. Attachment 2. Only one contributor, R. Paul Umberg, recalls discussing a possible contribution to the Alexander campaign with Mr. Doyle, and he

does not recall whether he gave his check to Mr. Doyle or mailed it to the Alexander campaign.<sup>2</sup> Attachment 2 at 3. Another contributor, Mr. Arenth, stated that he had been solicited by a "friend" who he did not wish to name. Attachment 2 at 2. Most importantly, however, each of the four contributors stated that they personally made their contributions and were not reimbursed for them.

During the course of this Office's investigation, Mr. Doyle has been very cooperative in providing responses to our questions, and in producing bank records and copies of checks. He admitted up front that he reimbursed Ms. Galatro for her 1994 and 1996 election cycle contributions. Mr. Doyle's sworn denial of any other reimbursements, and the corroborating statements of the four Danka executives, lead this Office to conclude that no illegal conduct took place in these instances. With regard to the contribution by Mr. Doyle's son, the statute and the Commission's regulations are silent as to how to consider payments made by Mr. Doyle to his son, which may subsequently have been commingled with other funds and used to make political contributions. However, the Commission's regulations do address the issue of personal funds of a candidate, and define them in part as, "gifts of a personal nature which had been customarily received prior to candidacy. . . ." 11 C.F.R. § 110.10(b)(2). Analogizing to the present situation, the financial support and other monies customarily provided by Mr. Doyle to his son, as evidenced by Mr. Doyle's affidavits and copies of canceled checks, suggests that the monies used by his son to make political contributions were his son's personal funds. Moreover, Mr. Doyle

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<sup>2</sup> Mr. Umberg was aware that Mr. Doyle was hosting a fundraiser for the Alexander campaign.

has sworn in his affidavit that he has never indicated to his son that the money was a *reimbursement for any Federal campaign contribution*. Attachment 1 at 3. Accordingly, it appears to this Office that the violations by Daniel M. Doyle consist of illegally reimbursing Ann Galatro for two contributions, and of making excessive contributions to Mark Sharpe for Congress and Alexander for President, Inc.

Attached is a conciliation agreement which has been signed by Daniel M. Doyle.

Acceptance of the attached agreement will conclude all outstanding issues in this matter.

**III. RECOMMENDATIONS**


1. Accept the attached conciliation agreement with Daniel M. Doyle.
2. Close the file.
3. Approve the appropriate letters.

Lawrence M. Noble  
General Counsel

Date

1/4/00

BY:

  
Lois G. Lerner  
Associate General Counsel

**Attachments:**

1. Doyle Affidavits and Bank Records
2. Reports of Interviews of Danka Employees
3. Conciliation Agreement

Staff Assigned: Tony Buckley